GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:1613
ANSWERED ON:02.08.2000
MODERN FOOD INDUSTRIES
MD ANWARUL HAQUE

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the condition of employees of Modern Food Industries Limited (MFIL) has improved after the disinvestment made therein;

(b) whether the report of the Mohan Committee regarding the pay scales of the employees has been implemented;

(c) if so, the date on which it was implemented; and

(d) if not, the reasons therefore?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (SHRI TH. CHAOBA SINGH)

(a): The staff regulations and standing orders governing the service conditions of the employees of MFIL prior to disinvestment continue to exist after disinvestment.

(b) to (d): As per the Government directions/guidelines issued on the recommendations of Mohan Committee, the revised pay scales could not have been adopted because MFIL incurred loss from 1998-99 onwards. The downslide in MFIL's performance also continued at faster pace and hence, generation of additional resources to meet liabilities for revised scales was not possible, which was a pre-requisite before considering adoption of the revised pay scales.

Consequent upon divestment of Government equity with transfer of 74% shares as well as management control to the strategic partner (M/s. Hindustan Lever Ltd.) w.e.f. 1st February, 2000, the matter is now under the consideration of new management who have already allowed substaintial interim relief to the employees.